



General Assembly

February Session, 2008

***Raised Bill No. 5512***

LCO No. 1826

\*01826\_\_\_\_\_INS\*

Referred to Committee on Insurance and Real Estate

Introduced by:  
(INS)

***AN ACT CONCERNING VIATICAL SETTLEMENTS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-465 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2008*):

3 As used in sections 38a-465 to [38a-465q] 38-465p, inclusive, as  
4 amended by this act, and subdivision (20) of section 38a-816:

5 (1) "Accredited investor" means an accredited investor, as defined in  
6 17 CFR Section 230.501(a), as amended from time to time.

7 (2) "Advertising" or "advertisement" means any written, electronic  
8 or printed communication or any communication by means of  
9 recorded telephone messages or transmitted on radio, television, the  
10 Internet or similar communications media, including, but not limited  
11 to, film strips, motion pictures and videos, published, disseminated,  
12 circulated or placed before the public, directly or indirectly, for the  
13 purpose of creating an interest in or inducing a person to purchase or  
14 sell a life insurance policy or an interest in a life insurance policy  
15 pursuant to a viatical settlement contract. [or a viatical settlement

16 purchase agreement.]

17 (3) "Chronically ill" means: (A) Being unable to perform at least two  
18 activities of daily living, including, but are not limited to, eating,  
19 toileting, transferring, bathing, dressing or continence; (B) requiring  
20 substantial supervision to protect from threats to health and safety due  
21 to severe cognitive impairment; or (C) having a level of disability  
22 similar to that described in subparagraph (A) of this subdivision as  
23 determined by the federal Secretary of Health and Human Services.

24 (4) "Commissioner" means the Insurance Commissioner.

25 (5) [(A)] "Financing entity" means an underwriter, placement agent,  
26 lender, purchaser of securities, purchaser of a policy or certificate from  
27 a viatical settlement provider, credit enhancer, or any entity that has a  
28 direct ownership in a policy or certificate that is the subject of a viatical  
29 settlement contract; [, but:]

30 [(i)] (A) Whose principal activity related to the transaction is  
31 providing funds to effect the viatical settlement or purchase of one or  
32 more viaticated policies; and

33 [(ii)] (B) Who has an agreement in writing with one or more licensed  
34 viatical settlement providers to finance the acquisition of viatical  
35 settlement contracts.

36 [(B) Financing entity] (6) "Financing entity" does not include a  
37 nonaccredited investor or viatical settlement purchaser.

38 [(6)] (Z) "Financing transaction" means any transaction in which  
39 financing is obtained for the purchase, acquisition, transfer or other  
40 assignment of one or more viatical settlement contracts, viaticated  
41 policies or interests in such contracts or policies, including, but not  
42 limited to, any secured or unsecured financing, any securitization  
43 transaction or any securities offering which is registered or exempt  
44 from registration under federal or state securities law, or in which one  
45 or more viatical settlement contracts, viaticated policies or interests

46 therein are sold, assigned, transferred, pledged, hypothecated or  
47 otherwise disposed of.

48 (8) "Fraudulent viatical settlement act" means:

49 (A) Acts or omissions committed by any person who, knowingly  
50 and with intent to defraud, for the purpose of depriving another of  
51 property or for pecuniary gain, commits or permits its employees or its  
52 agents to engage in acts including, but not limited to:

53 (i) Presenting, causing to be presented or preparing with knowledge  
54 and belief that it will be presented to or by a viatical settlement  
55 provider, viatical settlement broker, insurer, insurance producer or any  
56 other person, false material information, or concealing material  
57 information, as part of, in support of, or concerning a fact material to  
58 one or more of the following: (I) An application for the issuance of a  
59 viatical settlement contract or policy; (II) the underwriting of a viatical  
60 settlement contract or policy; (III) a claim for payment or benefit  
61 pursuant to a viatical settlement contract or policy; (IV) premiums paid  
62 on a policy; (V) payments and changes in ownership or beneficiary  
63 made in accordance with the terms of a viatical settlement contract or  
64 policy; (VI) the reinstatement or conversion of a policy; (VII) in the  
65 solicitation, offer to enter into, or effectuation of a viatical settlement  
66 contract or policy; (VIII) the issuance of written evidence of viatical  
67 settlement contract or policy; (IX) any application for or the existence  
68 of or any payments related to a loan secured directly or indirectly by  
69 any interest in a policy; or (X) enter into any practice or plan that  
70 involves stranger-originated life insurance;

71 (ii) Employing any device, scheme or artifice to defraud in the  
72 business of viatical settlements;

73 (iii) In the solicitation, application or issuance of a policy, employing  
74 any device, scheme or artifice in violation of state insurable interest  
75 laws;

76 (B) In the furtherance of a fraud or to prevent the detection of a  
77 fraud any person commits or permits its employees or its agents to;

78 (i) Remove, conceal, alter, destroy or sequester from the  
79 commissioner the assets or records of a licensee or other person  
80 engaged in the business of viatical settlements;

81 (ii) Misrepresent or conceal the financial condition of a licensee,  
82 financing entity, insurer or other person;

83 (iii) Transact the business of viatical settlements in violation of laws  
84 requiring a license, certificate of authority or other legal authority for  
85 the transaction of the business of viatical settlements;

86 (iv) File with the commissioner a document containing false  
87 information or otherwise concealing information about a material fact  
88 from the commissioner;

89 (v) Engage in embezzlement, theft, misappropriation or conversion  
90 of monies, funds, premiums, credits or other property of a viatical  
91 settlement provider, insurer, insured, owner, insurance, policy owner  
92 or any other person engaged in the business of viatical settlements or  
93 insurance;

94 (vi) Knowingly and with intent to defraud, enter into, broker, or  
95 otherwise deal in a viatical settlement contract, the subject of which is  
96 a life insurance policy that was obtained by presenting false  
97 information concerning any fact material to the policy or by  
98 concealing, for the purpose of misleading another, information  
99 concerning any fact material to the policy, where the owner or the  
100 owner's agent intended to defraud the policy's issuer;

101 (vii) Attempt to commit, assist, aid or abet in the commission of, or  
102 conspiracy to commit the acts or omissions specified in this subsection;  
103 or

104 (viii) Misrepresent the state of residence of an owner to be a state or

105 jurisdiction that does not have a law substantially similar to this part  
106 for the purpose of evading or avoiding the provisions of this part.

107 [(7)] (9) "Person" means a natural person or a legal entity, including,  
108 but not limited to, an individual, partnership, limited liability  
109 company, association, trust or corporation.

110 [(8)] (10) "Nonaccredited investor" means an investor that does not  
111 qualify as an accredited investor.

112 [(9)] (11) "Policy" means an individual or group policy, group  
113 certificate, contract or arrangement of life insurance affecting the rights  
114 of a resident of the state or bearing a reasonable relation to the state,  
115 regardless of whether delivered or issued for delivery in this state.

116 [(10)] (12) "Qualified institutional buyer" means a qualified  
117 institutional buyer, as defined in 17 CFR Section 230.144A, as amended  
118 from time to time.

119 [(11)] (13) "Related provider trust" means a titling trust or other trust  
120 established by a licensed viatical settlement provider or a financing  
121 entity for the sole purpose of holding the ownership or beneficial  
122 interest in purchased policies in connection with a financing  
123 transaction.

124 [(12)] (14) "Special purpose entity" means a corporation, partnership,  
125 trust, limited liability company or other similar entity formed solely to  
126 provide, either directly or indirectly, access to institutional capital  
127 markets for a financing entity or licensed viatical settlement provider.

128 (15) "Stranger-originated life insurance" means a written agreement  
129 for the procurement of a new life insurance policy for the benefit of a  
130 person who, at the time of policy origination, has no insurable interest  
131 in the insured. Such agreements include, but are not limited to, cases in  
132 which life insurance is purchased with resources or guarantees from or  
133 through a person or entity, who, at the time of policy inception could  
134 not lawfully initiate the policy and where, at the time of policy

135 inception, there is a written agreement to directly or indirectly transfer  
136 the ownership of the policy or the policy benefits to a person who lacks  
137 insurable interest. Trusts that are created to give the appearance of  
138 insurable interest and that are used to initiate policies for a person who  
139 lacks insurable interest violate insurable interest laws and the  
140 prohibition against wagering on life. "Stranger-originated life  
141 insurance" does not include those practices set forth in subparagraph  
142 (B) of subdivision (19) of this section.

143 [(13)] (16) "Terminally ill" means having an illness or sickness that  
144 can reasonably be expected to result in death in twenty-four months or  
145 less.

146 [(14)] (17) "Viatical settlement" means a transaction between a viator  
147 and a viatical settlement provider in which the viatical settlement  
148 provider pays compensation or other value in return for the viator's  
149 assignment, transfer, sale, devise or bequest to the viatical settlement  
150 provider of the ownership of, or the death benefit payable under, a life  
151 insurance policy or a certificate.

152 [(15)] (18) "Viatical settlement broker" or "broker" means a person  
153 who, on behalf of a viator and for a fee, commission or other valuable  
154 consideration, offers or attempts to negotiate viatical settlement  
155 contracts between a viator and one or more viatical settlement  
156 providers. "Viatical settlement broker" does not include an attorney,  
157 certified public accountant or a financial planner accredited by a  
158 nationally recognized accreditation agency who is retained to  
159 represent the viator and whose compensation is not paid directly or  
160 indirectly by the viatical settlement provider or viatical settlement  
161 purchaser.

162 [(16)] (19) (A) "Viatical settlement contract" means:

163 [a] (i) A written agreement between a viator and a viatical  
164 settlement provider establishing the terms under which compensation  
165 or anything of value will be paid, which compensation or value is less

166 than the expected death benefit of a policy in return for the viator's  
167 present or future assignment, transfer, sale, devise or bequest of the  
168 death benefit or ownership of any portion of the policy; [. A viatical  
169 settlement contract includes, but is not limited to, (A) a contract for a  
170 loan or other financing transaction with a viator secured primarily by  
171 an individual or group life insurance policy, other than a loan by a life  
172 insurance company pursuant to the terms of the life insurance contract,  
173 or a loan secured by the cash value of a policy, or (B) an agreement  
174 with a viator to transfer ownership or change the beneficiary  
175 designation at a later date regardless of the date that compensation is  
176 paid to the viator.]

177 [(17) "Viatical settlement investment agent" means a person who is  
178 an appointed or contracted agent of a licensed viatical settlement  
179 provider who solicits or arranges the funding for the purchase of a  
180 viatical settlement by a viatical settlement purchaser and who is acting  
181 on behalf of a viatical settlement provider.]

182 (ii) The transfer for compensation or value of ownership or  
183 beneficial interest in a trust or other entity that owns such policy if the  
184 trust or other entity was formed or availed of for the principal purpose  
185 of acquiring one or more life insurance contracts, which life insurance  
186 contract insures the life of a person residing in this state; or

187 (iii) A premium finance loan made for a life insurance policy by a  
188 lender to viator on or before the date of issuance of the policy where,  
189 pursuant to the terms of such loan, (I) the viator or the insured receives  
190 on the date of the premium finance loan a guarantee of a future viatical  
191 settlement value of the policy, or (II) the viator or the insured agrees on  
192 the date of the premium finance loan to sell the policy or any portion  
193 of its death benefit on any date following the issuance of the policy;

194 (B) "Viatical settlement contract" does not include:

195 (i) A policy loan by a life insurance company pursuant to the terms  
196 of the life insurance policy or accelerated death provisions contained in

197 the life insurance policy, whether issued with the original policy or as  
198 a rider;

199 (ii) A premium finance loan, as defined in subparagraph (A)(iii) of  
200 subdivision (19) of this section, or any loan made by a bank or other  
201 licensed financial institution, provided that neither default on such  
202 loan nor the transfer of the policy in connection with such default is  
203 pursuant to an agreement or understanding with any other person for  
204 the purpose of evading regulation under this part;

205 (iii) A collateral assignment of a life insurance policy by an owner of  
206 a policy;

207 (iv) A loan made by a lender that does not violate sections 38a-162  
208 to 38a-170, inclusive, provided such loan is not specified as described  
209 in subparagraph (A) of this subdivision and is not otherwise within the  
210 definition of a viatical settlement contract;

211 (v) An agreement where all the parties are closely related to the  
212 insured by blood or law or have a lawful substantial economic interest  
213 in the continued life, health and bodily safety of the person insured, or  
214 are trusts established primarily for the benefit of such parties;

215 (vi) Any designation, consent or agreement by an insured who is an  
216 employee of an employer in connection with the purchase by the  
217 employer, or trust established by the employer, of life insurance on the  
218 life of the employee;

219 (vii) A bona fide business succession planning arrangement: (I)  
220 Between one or more shareholders in a corporation or between a  
221 corporation and one or more of its shareholders or one or more trusts  
222 established by its shareholders; (II) between one or more partners in a  
223 partnership or between a partnership and one or more of its partners  
224 or one or more trusts established by its partners; or (III) between one or  
225 more members in a limited liability company or between a limited  
226 liability company and one or more of its members or one or more



227 trusts established by its members; or

228 (viii) An agreement entered into by a service recipient or a trust  
229 established by the service recipient, and a service provider or a trust  
230 established by the service provider, that performs significant services  
231 for the service recipient's trade or business.

232 [(18)] (20) "Viatical settlement provider" means a person, other than  
233 a viator, who enters into or effectuates a viatical settlement contract.  
234 [Viatical settlement provider] "Viatical settlement provider" does not  
235 include:

236 (A) A bank, savings bank, savings and loan association, credit union  
237 or other licensed lending institution that takes an assignment of a life  
238 insurance policy as collateral for a loan;

239 (B) The issuer of a life insurance policy providing accelerated  
240 benefits pursuant to section 38a-457 and pursuant to the contract;

241 (C) An authorized or eligible insurer that provides stop loss  
242 coverage to a viatical settlement provider, viatical settlement  
243 purchaser, financing entity, special purpose entity or related provider  
244 trust;

245 (D) A natural person who enters into or effectuates no more than  
246 one agreement in a calendar year for the transfer of a life insurance  
247 policy for any value less than the expected death benefit;

248 (E) A financing entity;

249 (F) A special purpose entity;

250 (G) A related provider trust;

251 (H) A viatical settlement purchaser; or

252 (I) An accredited investor or qualified institutional buyer who  
253 purchases a viaticated policy from a viatical settlement provider.

254 [(19) "Viatical settlement purchase agreement" means a contract or  
255 agreement, entered into by a viatical settlement purchaser, to which  
256 the viator is not a party, to purchase a life insurance policy or an  
257 interest in a life insurance policy, that is entered into for the purpose of  
258 deriving an economic benefit.]

259 [(20)] (21) "Viatical settlement purchaser" means a person who gives  
260 a sum of money as consideration for a life insurance policy or an  
261 interest in the death benefits of a life insurance policy, or a person who  
262 owns or acquires or is entitled to a beneficial interest in a trust that  
263 owns a viatical settlement contract or is the beneficiary of a life  
264 insurance policy that has been or will be the subject of a viatical  
265 settlement contract, for the purpose of deriving an economic benefit.  
266 [Viatical settlement purchaser] "Viatical settlement purchaser" does not  
267 include:

268 (A) A licensee under this part;

269 (B) An accredited investor or qualified institutional buyer;

270 (C) A financing entity;

271 (D) A special purpose entity; or

272 (E) A related provider trust.

273 [(21)] (22) "Viaticated policy" means a life insurance policy or  
274 certificate that has been acquired by a viatical settlement provider  
275 pursuant to a viatical settlement contract.

276 [(22)] (23) "Viator" means the owner of a life insurance policy or a  
277 certificate holder under a group policy who enters or seeks to enter  
278 into a viatical settlement contract. For the purposes of this part, a  
279 viator shall not be limited to an owner of a life insurance policy or a  
280 certificate holder under a group policy insuring the life of an  
281 individual with a terminal or chronic illness or condition except where  
282 specifically provided. [Viator] "Viator" does not include:

283 (A) A licensee under this part;

284 (B) An accredited investor or qualified institutional buyer;

285 (C) A financing entity;

286 (D) A special purpose entity; or

287 (E) A related provider trust.

288 Sec. 2. Section 38a-465a of the general statutes is repealed and the  
289 following is substituted in lieu thereof (*Effective October 1, 2008*):

290 (a) Except as otherwise provided in this part, no person may act as a  
291 viatical settlement provider [.] or viatical settlement broker [or viatical  
292 settlement investment agent] until the person is licensed by the  
293 commissioner pursuant to this section, except that any person who  
294 holds a resident or nonresident insurance producer license pursuant to  
295 chapter 702 may act as a viatical settlement broker [.] and shall be  
296 subject to the provisions of subsection (a) of section 38a-11 of the 2008  
297 supplement to the general statutes, as amended by this act, sections  
298 38a-465 to [38a-465q] 38-465p, inclusive, as amended by this act, and  
299 subdivision (20) of section 38a-816, as if such person is a licensed  
300 viatical settlement broker.

301 (b) Any applicant for a license as a viatical settlement provider [.] or  
302 viatical settlement broker [or viatical settlement investment agent]  
303 shall submit written application to the commissioner. Such applicants  
304 shall provide such information as the commissioner requires. All initial  
305 applications shall be accompanied by a filing fee specified in section  
306 38a-11 of the 2008 supplement to the general statutes, as amended by  
307 this act.

308 (c) Upon the filing of an application and full payment of the license  
309 fee, the commissioner shall investigate the applicant and shall issue a  
310 license if the commissioner determines that:

- 311 (1) The applicant has provided a detailed plan of operation;
- 312 (2) The applicant is competent and trustworthy, and intends to act  
313 in good faith pursuant to the license applied for;
- 314 (3) The applicant has a good business reputation and adequate  
315 experience, training or education so as to be qualified in the business  
316 for which the license is applied for;
- 317 (4) If the applicant is a corporation, partnership, limited liability  
318 company or other legal entity, the applicant has provided a certificate  
319 of good standing from its state of domicile and, if such applicant is not  
320 domiciled in this state, a certificate of good standing from this state  
321 dated not more than fifteen days before or after the date of filing of the  
322 application; and
- 323 (5) Neither the applicant, nor any partner, key manager, director,  
324 officer or majority stockholder of the applicant has been convicted of a  
325 felony.
- 326 (d) Any license issued for a viatical settlement provider [.] or a  
327 viatical settlement broker [or a viatical settlement investment agent]  
328 shall be in force only until the last day of March in each year, but may  
329 be renewed by the commissioner without formality other than proper  
330 application. The fees for such licenses shall be assessed annually as  
331 provided in section 38a-11 of the 2008 supplement to the general  
332 statutes, as amended by this act. If such broker [.] or provider [or  
333 investment agent] fails to timely pay the renewal fee, such license shall  
334 be automatically revoked if the license fee is not received by the  
335 commissioner not later than the fifth day after the commissioner sends  
336 by first class mail a written notice of nonrenewal to the principal office  
337 of the broker [.] or provider, [or investment agent,] provided such  
338 notice may only be mailed after said last day of March.
- 339 (e) The commissioner may, at any time, require the applicant to  
340 fully disclose the identity of all of its stockholders, partners, key

341 management personnel, directors, officers, members and employees,  
342 and the commissioner may deny any application for a license if the  
343 commissioner determines that any partner, key manager, director,  
344 officer, employee stockholder or member thereof who may materially  
345 influence the applicant's conduct fails to meet any of the standards set  
346 forth in sections 38a-465 to [38a-465q] 38-465p, inclusive, as amended  
347 by this act.

348 (f) A viatical settlement provider [.] or viatical settlement broker [or  
349 viatical settlement investment agent] shall provide to the  
350 commissioner new or revised information about officers, stockholders  
351 holding ten per cent or more of the company's stock, partners,  
352 directors, members or designated employees not later than thirty days  
353 after the change in information.

354 (g) A viatical settlement provider license [.] or a viatical settlement  
355 broker license [or a viatical settlement investment agent license] issued  
356 to a corporation, partnership, limited liability company or other legal  
357 entity authorizes all of such legal entity's stockholders, partners, key  
358 managers, directors, officers and employees named in the application  
359 for such license, and any supplements to the application, to act on such  
360 entity's behalf as if such individuals are licensed. Such authorization  
361 shall terminate upon the expiration, suspension or revocation of the  
362 viatical settlement provider license [.] or a viatical settlement broker  
363 license. [or a viatical settlement investment agent license.]

364 (h) The commissioner shall maintain a complete listing of all viatical  
365 settlement providers [.] and viatical settlement brokers [and viatical  
366 settlement investment agents] licensed in this state, which shall be  
367 available to the general public for inspection.

368 Sec. 3. Section 38a-465b of the general statutes is repealed and the  
369 following is substituted in lieu thereof (*Effective October 1, 2008*):

370 (a) The commissioner may deny a license application, or suspend,  
371 revoke or refuse to renew the license of any viatical settlement

372 provider [,] or viatical settlement broker, [or viatical settlement  
373 investment agent] if the commissioner determines that:

374 (1) There was a material misrepresentation in the license application  
375 or in other information submitted to the commissioner;

376 (2) The licensee, or any partner, key manager, director, officer or  
377 majority stockholder of the licensee has been convicted of a felony, is  
378 subject to a final administrative action to suspend or revoke a license  
379 granted by the chief insurance regulatory official of another state, or is  
380 otherwise shown to be untrustworthy or incompetent to act as a  
381 viatical settlement provider [,] or viatical settlement broker; [or viatical  
382 settlement investment agent;]

383 (3) The licensee has wilfully violated any of the provisions of this  
384 part;

385 (4) The viatical settlement provider demonstrates a pattern of  
386 unreasonably low payments to viators;

387 (5) The licensee has been found guilty of or has pleaded guilty or  
388 nolo contendere to, any felony, or to a misdemeanor involving fraud or  
389 moral turpitude regardless of whether a judgment or conviction has  
390 been entered by the court;

391 (6) The viatical settlement provider has entered into any viatical  
392 settlement contract that has not been approved pursuant to sections  
393 38a-465 to [38a-465q] 38-465p, inclusive, as amended by this act;

394 (7) The viatical settlement provider has failed to honor contractual  
395 obligations set out in a viatical settlement contract; [or a viatical  
396 settlement purchase agreement;]

397 (8) The licensee no longer meets the requirements for initial  
398 licensure; or

399 (9) The viatical settlement provider has assigned, transferred or

400 pledged a [viatical] viaticated policy to a person other than a viatical  
401 settlement provider licensed in this state, a viatical settlement  
402 purchaser, an accredited investor, a qualified institutional buyer, a  
403 financing entity, special purpose entity or related provider trust.

404 (b) If the commissioner denies a license application, or suspends,  
405 revokes or refuses to renew the license of a viatical settlement provider  
406 [ ] or viatical settlement broker, [or viatical settlement investment  
407 agent,] the applicant or licensee aggrieved by such denial, suspension,  
408 revocation or refusal to renew a license may appeal such action in  
409 accordance with chapter 54. Hearings may be held by the  
410 commissioner or by any person designated by the commissioner.  
411 Whenever an individual other than the commissioner acts as the  
412 hearing officer, the individual shall submit to the commissioner a  
413 memorandum of findings and recommendations upon which the  
414 commissioner may base a decision.

415 (c) In addition to denying a license application, or suspending,  
416 revoking or refusing to renew a license, the commissioner may assess a  
417 fine of up to one thousand dollars against a viatical settlement  
418 provider [or viatical settlement investment agent] for each wilful  
419 violation by the viatical settlement provider of any provision of this  
420 part or regulations adopted pursuant to this part.

421 (d) In addition to denying a license application, or suspending,  
422 revoking or refusing to renew a license, the commissioner may assess a  
423 fine of up to one thousand dollars against a viatical settlement broker  
424 if:

425 (1) Such viatical settlement broker has knowingly received a  
426 commission or other payment or benefit from a viatical settlement  
427 provider who is unlicensed in this state in connection with a viatical  
428 settlement contract entered into with a viator resident in this state;

429 (2) Such viatical settlement broker has defrauded, misled or  
430 mistreated viators; or

431 (3) Such viatical settlement broker has wilfully violated any  
432 provision of sections 38a-465 to [38a-465q] ~~38-465p~~, inclusive, as  
433 amended by this act, or regulations adopted pursuant to said sections.

434 Sec. 4. Section 38a-465c of the general statutes is repealed and the  
435 following is substituted in lieu thereof (*Effective October 1, 2008*):

436 No person [may] shall use any form of viatical settlement contract  
437 or disclosure statement in this state when dealing with a viator unless  
438 such form has been filed with and approved by the commissioner. The  
439 commissioner [may] shall disapprove a viatical settlement contract or  
440 disclosure statement [,] if the commissioner finds any provision in said  
441 form is unreasonable, contrary to the interests of the public, fails to  
442 comply with the provisions of sections 38a-465 to [38a-465q] ~~38-465p~~,  
443 inclusive, as amended by this act, or is misleading to viators or the  
444 public.

445 Sec. 5. Section 38a-465d of the general statutes is repealed and the  
446 following is substituted in lieu thereof (*Effective October 1, 2008*):

447 (a) Except as provided in subsection (b) of this section, on or before  
448 the last day of March of each year, each viatical settlement provider  
449 shall file with the commissioner an annual statement containing such  
450 information as the commissioner may prescribe. The commissioner  
451 shall adopt regulations, in accordance with chapter 54, to prescribe the  
452 contents of such annual statements.

453 (b) Notwithstanding the provisions of subsection (a) of this section,  
454 no licensee [may] shall submit to the commissioner information which  
455 identifies any viator except with the express written permission of  
456 such viator or the viator's estate or representative.

457 (c) Except as otherwise required or permitted by law, no person,  
458 including, but not limited to, any viatical settlement provider, [viatical  
459 settlement investment agent,] viatical settlement broker, insurance  
460 company, insurance producer, information bureau, rating agency or



461 company, or any other person with actual knowledge of an insured's  
 462 identity, [may] shall disclose such identity to any other person unless  
 463 such disclosure: (1) Is necessary to effect a viatical settlement between  
 464 the viator and a viatical settlement provider and the viator has  
 465 provided prior written consent to such disclosure; (2) is provided in  
 466 response to an investigation by the commissioner or any other  
 467 governmental office or agency; (3) [is necessary to effect a viatical  
 468 settlement purchase agreement between the viatical settlement  
 469 purchaser and a viatical settlement provider and the viator and  
 470 insured have provided prior written consent to the disclosure; (4)] is a  
 471 term of or condition to the transfer of a policy by one viatical  
 472 settlement provider to another viatical settlement provider; [(5)] (4) is  
 473 necessary to permit a financing entity, related provider trust or special  
 474 purpose entity to finance the purchase of policies by a viatical  
 475 settlement provider and the viator and insured have provided prior  
 476 written consent to the disclosure; [(6)] (5) is necessary to allow the  
 477 viatical settlement provider or viatical settlement broker or their  
 478 authorized representatives to make contacts for the purpose of  
 479 determining health status; or [(7)] (6) is required to purchase stop loss  
 480 coverage.

481 (d) The commissioner shall not disclose the names of or other data  
 482 identifying viators unless such disclosure is required by law.

483 Sec. 6. Section 38a-465f of the general statutes is repealed and the  
 484 following is substituted in lieu thereof (*Effective October 1, 2008*):

485 (a) With each application for a viatical settlement, a viatical  
 486 settlement provider or viatical settlement broker shall provide the  
 487 viator with at least the following disclosures not later than at the time  
 488 the application for the viatical settlement contract is signed by all  
 489 parties. Disclosure to a viator shall include distribution of a brochure  
 490 developed or authorized by the commissioner describing the process  
 491 of viatical settlements. The disclosure document shall contain the  
 492 following language: "All medical, financial or personal information

493 solicited or obtained by a viatical settlement provider or viatical  
494 settlement broker about an insured, including the insured's identity or  
495 the identity of family members, a spouse or a significant other may be  
496 disclosed as necessary to effect the viatical settlement between the  
497 viator and the viatical settlement provider. If you are asked to provide  
498 this information, you will be asked to consent to the disclosure. The  
499 information may be provided to someone who buys the policy or  
500 provides funds for the purchase. You may be asked to renew your  
501 permission to share information every two years." The disclosure shall  
502 be provided in a separate document that is signed by the viator and  
503 the viatical settlement provider or viatical settlement broker and shall  
504 provide at least the following disclosures:

505       (1) There are possible alternatives to viatical settlement contracts  
506 including any accelerated death benefits or policy loans offered under  
507 the viator's life insurance policy;

508       (2) Some or all of the proceeds of the viatical settlement may be  
509 taxable under federal income tax, and assistance should be sought  
510 from a professional tax advisor;

511       (3) Receipt of the viatical settlement proceeds may adversely affect  
512 the viator's eligibility for Medicaid or other government benefits or  
513 entitlements, and advice should be obtained from the appropriate  
514 governmental agencies or advisors;

515       (4) The viatical settlement provider may assign or otherwise transfer  
516 its interests in the viaticated policy to a third party;

517       (5) The viator has the right to rescind a viatical settlement contract  
518 for fifteen calendar days after the receipt of the viatical settlement  
519 proceeds by the viator, as provided in subsection (c) of section 38a-  
520 465g, as amended by this act. If the insured dies during the rescission  
521 period, the settlement contract shall be deemed to have been  
522 rescinded, subject to repayment of all viatical settlement proceeds and  
523 any premiums, loans and loan interest to the viatical settlement

524 provider or viatical settlement purchaser;

525 (6) Proceeds of the viatical settlement may be subject to the claims of  
526 general creditors;

527 (7) Funds will be sent to the viator within two business days after  
528 the viatical settlement provider has received the insurer or group  
529 administrator's acknowledgment that ownership of the [viatical]  
530 viaticated policy or interest in the certificate has been transferred and  
531 the beneficiary has been designated pursuant to sections 38a-465 to  
532 [38a-465q] 38-465p, inclusive, as amended by this act;

533 (8) Entering into the viatical settlement contract may cause other  
534 rights or benefits, including conversion rights and waiver of premium  
535 benefits that may exist under the policy or certificate, to be forfeited by  
536 the viator and that assistance should be sought from a financial  
537 advisor;

538 (9) The insured may be contacted by either the viatical settlement  
539 provider or broker or its authorized representative for the purpose of  
540 determining the insured's health status. This contact is limited to once  
541 every three months following the date the viatical settlement proceeds  
542 are released to the viator if the insured has a life expectancy of more  
543 than one year, and no more than once per month following such date if  
544 the insured has a life expectancy of one year or less.

545 (b) A viatical settlement provider shall provide the viator with at  
546 least the following disclosures not later than the date the viatical  
547 settlement contract is signed by all parties. The disclosures shall be  
548 conspicuously displayed in the viatical settlement contract or in a  
549 separate document signed by the viator and the viatical settlement  
550 provider or viatical settlement broker, and shall provide at least the  
551 following disclosures:

552 (1) The affiliation, if any, between the viatical settlement provider  
553 and the issuer of the insurance policy to be viaticated;

554       (2) The name, address and telephone number of the viatical  
555       settlement provider;

556       (3) If an insurance policy to be viaticated has been issued as a joint  
557       policy or involves family riders or any coverage of a life other than the  
558       insured under the policy to be viaticated, the viator shall be informed  
559       of the possible loss of coverage on the other lives under the policy and  
560       shall be advised to consult with the viator's insurance producer or the  
561       insurer issuing the policy for advice on the proposed viatical  
562       settlement;

563       (4) The dollar amount of the current death benefit payable to the  
564       viatical settlement provider under the policy or certificate. If known,  
565       the viatical settlement provider shall also disclose the availability of  
566       any additional guaranteed insurance benefits, the dollar amount of any  
567       accidental death and dismemberment benefits under the policy or  
568       certificate and the viatical settlement provider's interest in those  
569       benefits;

570       (5) The name, business address, and telephone number of the  
571       independent third party escrow agent, and the fact that the viator or  
572       owner may inspect or receive copies of the relevant escrow or trust  
573       agreements or documents.

574       (c) If the viatical settlement provider transfers ownership or changes  
575       the beneficiary of the insurance policy, the viatical settlement provider  
576       shall communicate the change in ownership or beneficiary to the  
577       insured not later than twenty days after the change.

578       [(d) A viatical settlement provider or its viatical settlement  
579       investment agent shall provide the viatical settlement purchaser with  
580       at least the following disclosures prior to the date the viatical  
581       settlement purchase agreement is signed by all parties. The disclosures  
582       shall be conspicuously displayed in any viatical settlement purchase  
583       agreement or in a separate document signed by the viatical settlement  
584       purchaser and viatical settlement provider or viatical settlement

585 investment agent and shall provide at least the following disclosures:

586 (1) The purchaser will receive no returns, including, but not limited  
587 to, dividends and interest, until the insured dies;

588 (2) The actual annual rate of return on a viatical settlement contract  
589 is dependent upon an accurate projection of the insured's life  
590 expectancy, and the actual date of the insured's death. An annual  
591 guaranteed rate of return is not determinable;

592 (3) The viaticated life insurance contract should not be considered a  
593 liquid purchase because it is impossible to predict the exact timing of  
594 the contract's maturity and the funds may not be available until the  
595 death of the insured. There is no established secondary market for  
596 resale of these contracts by the purchaser;

597 (4) The purchaser may lose all benefits or may receive substantially  
598 reduced benefits if the insurer goes out of business during the term of  
599 the viatical investment;

600 (5) The purchaser is responsible for payment of the insurance  
601 premium or other costs related to the policy if required by the terms of  
602 the viatical settlement purchase agreement. Such payments may  
603 reduce the purchaser's return. If a party other than the purchaser is  
604 responsible for the payment, the name and address of that party shall  
605 be disclosed;

606 (6) The purchaser is responsible for payment of the insurance  
607 premiums or other costs related to the policy if the insured returns to  
608 good health. The amount of such premiums shall be disclosed, if  
609 applicable;

610 (7) The name and address of any person providing escrow services  
611 and the person's relationship to the broker;

612 (8) The amount of any trust fees or other expenses to be charged to  
613 the viatical settlement purchaser;

614 (9) Whether the purchaser is entitled to a refund of all or part of the  
615 purchaser's investment under the viatical settlement contract if the  
616 policy is later determined to be null and void;

617 (10) That group policies may contain limitations or caps in the  
618 conversion rights, additional premiums may be required to be paid if  
619 the policy is converted, the party responsible for the payment of the  
620 additional premiums shall be named and, if a group policy is  
621 terminated and replaced by another group policy, that there may be no  
622 right to convert the original coverage;

623 (11) The risks associated with policy contestability, including, but  
624 not limited to, the risk that the purchaser will have no claim or only a  
625 partial claim to death benefits if the insurer rescinds the policy within  
626 the contestability period;

627 (12) Whether the purchaser will be the owner of the policy in  
628 addition to being the beneficiary, and if the purchaser is the  
629 beneficiary only and not also the owner, the special risks associated  
630 with that status, including, but not limited to, the risk that the  
631 beneficiary may be changed or the premium may not be paid;

632 (13) (A) The experience and qualifications of the person who  
633 determines the life expectancy of the insured, such as in-house staff,  
634 independent physicians and specialty firms that weigh medical and  
635 actuarial data; (B) the information the determination of life expectancy  
636 is based on; and (C) the relationship of the person making the  
637 determination to the viatical settlement provider, if any;

638 (14) Disclosure to an investor shall include distribution of a  
639 brochure, developed or authorized by the commissioner, describing  
640 the process of investment in viatical settlements.

641 (e) A viatical settlement provider or its viatical settlement  
642 investment agent shall provide the viatical settlement purchaser with  
643 at least the following disclosures not later than at the time of the

644 assignment, transfer or sale of all or a portion of an insurance policy.  
645 The disclosures shall be contained in a document signed by the viatical  
646 settlement purchaser and viatical settlement provider or viatical  
647 settlement investment agent and shall provide at least the following  
648 disclosures:

649 (1) All life expectancy certifications obtained by the provider in the  
650 process of determining the price paid to the viator;

651 (2) Whether premium payments or other costs related to the policy  
652 have been escrowed. If such costs have been escrowed, disclosure is  
653 required regarding the date upon which the escrowed funds will be  
654 depleted and whether the purchaser will be responsible for payment of  
655 premiums after that date, and, if so, the amount of the premiums;

656 (3) Whether premium payments or other costs related to the policy  
657 have been waived. If such costs have been waived, disclosure is  
658 required regarding whether the investor will be responsible for  
659 payment of the premiums if the insurer that wrote the policy  
660 terminates the waiver after purchase and the amount of those  
661 premiums;

662 (4) The type of policy offered or sold, such as, whole life, term life,  
663 universal life or a group policy certificate, any additional benefits  
664 contained in the policy, and the current status of the policy;

665 (5) If the policy is term insurance, the special risks associated with  
666 term insurance, including, but not limited to, the purchaser's  
667 responsibility for additional premiums if the viator continues the term  
668 policy at the end of the current term;

669 (6) Whether the policy is contestable;

670 (7) Whether the insurer that wrote the policy has any additional  
671 rights that could negatively affect or extinguish the purchaser's rights  
672 under the viatical settlement contract, what the rights are, and under  
673 what conditions the rights are activated;

674 (8) The name and address of the person responsible for monitoring  
675 the insured's condition, a description of how often the monitoring of  
676 the insured's condition is done, how the date of death is determined,  
677 and how and when this information will be transmitted to the  
678 purchaser.

679 (f) The viatical settlement purchase agreement may be voided by the  
680 purchaser at any time before the end of the third day after the  
681 disclosures required by subsections (d) and (e) of this section are  
682 received by the purchaser.]

683 (d) In an application for life insurance, an insurance company may  
684 inquire, in addition to other questions it may lawfully pose to a life  
685 insurance applicant, whether the proposed owner intends to pay  
686 premiums with the assistance of financing from a lender that will use  
687 the policy as collateral to support the financing.

688 (1) If, as specified in subparagraph (A)(iii) of subdivision (19) of  
689 section 38a-465, as amended by this act, the loan provides funds that  
690 can be used for purposes other than paying for premiums, costs and  
691 expenses associated with obtaining and maintaining the life insurance  
692 policy and loan, the application shall be rejected by the insurance  
693 company as a violation of section 38a-465i, as amended by this act.

694 (2) If such loan does not provide funds that can be used for  
695 purposes other than paying for premiums, costs and expenses  
696 associated with obtaining and maintaining the life insurance policy  
697 and loan, the insurance company:

698 (A) May make disclosures, including, but not limited to, the  
699 following, to the applicant and the insured, in the application or an  
700 amendment to the application completed not later than the delivery of  
701 the policy: "If you have entered into a loan arrangement where the  
702 policy is used as collateral, and the policy does change ownership at  
703 some point in the future in satisfaction of the loan, the following may  
704 be true: (i) A change of ownership could lead to a stranger owning an



705 interest in the insured's life; (ii) a change of ownership could in the  
706 future limit your ability to purchase future insurance on the insured's  
707 life because there is a limit to how much coverage insurers will issue  
708 on one life; (iii) should there be a change of ownership and you wish to  
709 obtain more insurance coverage on the insured's life in the future, the  
710 insured's higher issue age, a change in health status or other factors  
711 may reduce the ability to obtain coverage and may result in  
712 significantly higher premiums; (iv) you should consult a professional  
713 advisor, since a change in ownership in satisfaction of the loan may  
714 result in tax consequences to the owner, depending on the structure of  
715 the loan"; and

716 (B) May require the applicant or the insured to certify that:

717 (i) Such applicant or insured has not entered into any agreement or  
718 arrangement providing for the future sale of such life insurance policy;

719 (ii) The loan arrangement for such policy provides funds sufficient  
720 for partial or full payment of the premiums, costs and expenses  
721 associated with obtaining and maintaining such life insurance policy,  
722 and that such applicant or insured has not entered into any agreement  
723 by which such applicant or insured will receive consideration in  
724 exchange for procuring such policy; and

725 (iii) The borrower has an insurable interest in the insured.

726 (e) For each individual life insurance policy or certificate for a group  
727 life insurance policy issued by an insurance company, such insurance  
728 company shall send written notice to the owner of such policy or  
729 certificate where the insured under such policy or certificate is sixty  
730 years of age or older, or is known to be terminally ill or chronically ill,  
731 that a viatical settlement is an available alternative transaction to such  
732 owner at the time of any of the following:

733 (1) When a life insurance company receives from such owner a  
734 request to surrender, in whole or in part, an individual life insurance

735 policy or a certificate under a group life insurance policy;

736 (2) When a life insurance company receives from such owner a  
737 request to receive an accelerated death benefit under an individual life  
738 insurance policy or a certificate under a group life insurance policy;

739 (3) When a life insurance company receives from such owner a  
740 request to collaterally assign an individual life insurance policy or a  
741 certificate under a group life insurance policy as security for a loan;

742 (4) When a life insurance company sends to such owner a notice of  
743 lapse of an individual life insurance policy or a certificate under a  
744 group life insurance policy; or

745 (5) At any other time that the commissioner may require by rule or  
746 by regulation.

747 Sec. 7. Section 38a-465g of the general statutes is repealed and the  
748 following is substituted in lieu thereof (*Effective October 1, 2008*):

749 (a) (1) Before entering into a viatical settlement contract, a viatical  
750 settlement provider shall obtain:

751 (A) If the viator is the individual whose life is insured by the viator's  
752 life insurance policy or certificate, a written statement from a licensed  
753 physician that the viator is of sound mind and under no undue  
754 influence to enter into the viatical settlement contract; and

755 (B) A witnessed document executed by the insured person in which  
756 the person consents to the release of the person's medical records to a  
757 viatical settlement provider, viatical settlement broker and the  
758 insurance company that issued the life insurance policy covering the  
759 life of the insured. The consent for the release of medical records shall  
760 only be obtained for the insurance company if the life insurance policy  
761 covering the insured was issued within forty-eight months of the date  
762 of the viator's application for the viatical settlement contract.

763       (2) Not later than twenty days after a viator executes the documents  
764 necessary to transfer any rights under a policy or not later than twenty  
765 days after entering any agreement, option, promise or any other form  
766 of understanding, expressed or implied, to viaticate the policy, the  
767 viatical settlement provider shall give written notice to the insurer that  
768 issued the policy that the policy has or will become a viaticated policy.  
769 The notice shall be accompanied by the documents required by  
770 subdivision (3) of this subsection.

771       (3) The viatical settlement provider shall deliver a copy of the  
772 medical release required under subparagraph (B) of subdivision (1) of  
773 this subsection, a copy of the viator's application for the viatical  
774 settlement contract, the notice required under subdivision (2) of this  
775 subsection and a request for verification of coverage to the insurer that  
776 issued the policy that is the subject of the viatical transaction. The  
777 commissioner may adopt regulations, in accordance with chapter 54,  
778 to prescribe the form or forms to be used for verification of coverage.

779       (4) The insurer shall respond to a request for verification of coverage  
780 submitted on an approved form by a viatical settlement provider not  
781 later than thirty calendar days after the date the request was received  
782 and shall indicate whether, based on the medical evidence and  
783 documents provided, the insurer intends, at the time of the response,  
784 to pursue an investigation regarding the validity of the policy.

785       (5) Prior to or at the time of execution of the viatical settlement  
786 contract, the viatical settlement provider shall obtain a witnessed  
787 document in which the viator consents to the viatical settlement  
788 contract, represents that the viator has a full and complete  
789 understanding of the viatical settlement contract, that the viator has a  
790 full and complete understanding of the benefits of the life insurance  
791 policy, acknowledges that the viator is entering into the viatical  
792 settlement contract freely and voluntarily and, for persons with a  
793 terminal or chronic illness or condition, acknowledges that the insured  
794 has a terminal or chronic illness and that the terminal or chronic illness

795 or condition was diagnosed after the life insurance policy was issued.

796 (6) If a viatical settlement broker performs any of the activities  
797 required of the viatical settlement provider under this section, the  
798 provider shall be deemed to have fulfilled the requirements of this  
799 section.

800 (b) All medical information solicited or obtained by any person  
801 licensed pursuant to this part shall be subject to applicable provisions  
802 of law relating to the confidentiality of medical information.

803 (c) Each viatical settlement contract entered into in this state or  
804 entered into with residents of this state shall provide that the viator  
805 may rescind the viatical settlement contract within fifteen days from  
806 the viator's receipt of the viatical settlement proceeds. Such rescission  
807 shall be effective only if both notice of rescission is delivered by the  
808 viator to the viatical settlement provider and a full return of funds to  
809 the viatical settlement provider is made before the expiration of the  
810 applicable rescission period. If the insured dies during the rescission  
811 period, the viatical settlement contract shall be deemed to have been  
812 rescinded, subject to repayment to the viatical settlement provider or  
813 viatical settlement purchaser of all viatical settlement proceeds, and  
814 any premiums, loans and loan interest that has been paid by the  
815 viatical settlement provider or viatical settlement purchaser.

816 [(d) The viatical settlement purchaser shall have the right to rescind  
817 a viatical settlement contract until the end of the third day after the  
818 disclosures required by subsections (d) and (e) of section 38a-465f are  
819 received by the purchaser.]

820 [(e)] (d) The viatical settlement provider shall instruct the viator to  
821 send the executed documents required to effect the change in  
822 ownership, assignment or change in beneficiary directly to the  
823 independent escrow agent. Not later than two business days after the  
824 date the escrow agent receives the document, or not later than two  
825 business days after the date the viatical settlement provider receives

826 the documents if the viator erroneously provides the documents  
827 directly to the provider, the provider shall pay or transfer the proceeds  
828 of the viatical settlement into an escrow or trust account maintained in  
829 a state or federally-chartered financial institution whose deposits are  
830 insured by the Federal Deposit Insurance Corporation. Upon payment  
831 of the settlement proceeds into the escrow account, the escrow agent  
832 shall deliver the original change in ownership, assignment or change  
833 in beneficiary forms to the viatical settlement provider or related  
834 provider trust. Upon the escrow agent's receipt of the acknowledgment  
835 of the properly completed transfer of ownership, assignment or  
836 designation of beneficiary from the insurance company, the escrow  
837 agent shall pay the settlement proceeds to the viator.

838 [(f)] (e) Failure to tender consideration to the viator for the viatical  
839 settlement contract within the time set forth in section 38a-465f, as  
840 amended by this act, shall render the viatical settlement contract  
841 voidable by the viator for lack of consideration until the time such  
842 consideration is tendered to, and accepted by, the viator.

843 [(g)] (f) No viatical settlement broker shall receive from a viatical  
844 settlement provider a fee, commission or other valuable consideration  
845 for services rendered to or in connection with viators resident in this  
846 state unless such viatical settlement provider is licensed in this state.

847 [(h)] (g) Viatical settlement proceeds received by a viator from a  
848 licensed viatical settlement provider pursuant to a viatical settlement  
849 contract shall not be subject to state taxation under title 12.

850 [(i)] (h) Following the consummation of a viatical settlement, no  
851 person may initiate contact with the insured under the viaticated  
852 policy for purposes of determining the insured's health status (1) more  
853 than one time during each consecutive three-month period following  
854 the date the viatical settlement proceeds are released to the viator if the  
855 insured has an estimated life expectancy of more than one year from  
856 such date, or (2) more than one time during each month following such  
857 date if the insured has an estimated life expectancy of one year or less.

858 The viatical settlement provider shall notify the viator of said  
859 limitations on contacts with the insured prior to the consummation of  
860 the viatical settlement in accordance with section 38a-465f, as amended  
861 by this act. The limitations set forth in this subsection shall not apply to  
862 any contacts with an insured under a viaticated policy for reasons  
863 other than determining the insured's health status. Viatical settlement  
864 providers and viatical settlement brokers shall be responsible for the  
865 actions of their authorized representatives.

866 [(j)] (i) An insured shall have the right, where permitted under the  
867 life insurance policy or certificate, to assign, transfer, sell or bequest the  
868 net death benefit payable under or ownership of a life insurance policy  
869 or certificate for any remaining portion of such coverage. An insured  
870 shall also have the right, where permitted under the life insurance  
871 policy or certificate, to assign, transfer, sell or bequest the net death  
872 benefit payable under or ownership of a life insurance policy or  
873 certificate at any time such coverage is on disability waiver of  
874 premium.

875 [(k)] (j) Unless otherwise agreed to in writing by the viator and the  
876 viatical settlement provider, the amount payable to a viatical  
877 settlement provider upon the insured's death shall be the amount (1)  
878 which would have been payable to the viatical settlement provider if  
879 the insured had died on the first day following the date of the viatical  
880 settlement contract, less (2) (A) any double or additional indemnity  
881 amount, if any, payable under the viaticated policy if the insured's  
882 death is accidental, and (B) all other amounts required to be deducted  
883 from the death benefit. Any other additional amounts shall remain  
884 payable to the beneficiary last named by the viator prior to entering  
885 into the viatical settlement contract, or to such other beneficiary, other  
886 than the viatical settlement provider, as the viator may designate after  
887 entering into the viatical settlement contract, or in the absence of a  
888 designation, to the estate of the viator.

889 Sec. 8. Section 38a-465i of the general statutes is repealed and the

890 following is substituted in lieu thereof (*Effective October 1, 2008*):

891 (a) Each life insurance company licensed in this state shall promptly  
892 respond to reasonable requests for policy or certificate information  
893 following the receipt of the following documents by the insurer or its  
894 agent:

895 (1) An instruction executed by the viator requiring the insurer to  
896 release specified information regarding the policy or certificate to a  
897 named viatical settlement provider or viatical settlement broker; and

898 (2) A written request for such information from the named viatical  
899 settlement provider or viatical settlement broker.

900 (b) Requests for the following items are deemed to be reasonable: (1)  
901 Ownership of and death benefits payable under the viaticated policy;  
902 (2) premium information on the viaticated policy; (3) liens on and  
903 assignments and additional benefits of the viaticated policy; (4) waiver  
904 of premium of the viaticated policy; and (5) ownership of and  
905 assignment provisions under the viaticated policy. The commissioner  
906 may adopt regulations, in accordance with chapter 54, to identify  
907 additional requests for information which shall also be deemed  
908 reasonable.

909 (c) An insurer or third party administrator of a group life insurance  
910 policy shall promptly issue an individual conversion policy if the  
911 conversion is being requested for the purpose of entering into a viatical  
912 settlement contract.

913 (d) Nothing in this section shall be construed to prohibit a policy  
914 owner or certificate holder, pursuant to the provisions of the policy or  
915 certificate, from assigning rights or benefits under the policy or  
916 certificate to a viatical settlement provider or from converting such  
917 coverage to an individual life insurance policy.

918 (e) No person [may] shall enter into a viatical settlement contract at  
919 any time prior to or at the time of application for or issuance of a

920 policy, or within a two-year period from the date of issuance of an  
921 insurance policy or certificate unless the viator certifies to the viatical  
922 settlement provider that one or more of the following conditions have  
923 been met within the two-year period:

924 (1) The policy was issued upon the viator's exercise of conversion  
925 rights arising out of a group or individual policy, provided the total of  
926 the time covered under the conversion policy plus the time covered  
927 under the prior policy is at least twenty-four months. The time covered  
928 under a group policy shall be calculated without regard to any change  
929 in insurance carriers, provided the coverage has been continuous and  
930 under the same group sponsorship;

931 (2) (A) The viator submits independent evidence to the viatical  
932 settlement provider that one or more of the following conditions have  
933 been met within the two-year period:

934 (i) The viator or insured is terminally or chronically ill; or

935 (ii) The viator disposes of the viator's entire ownership interests in a  
936 closely held corporation pursuant to the terms of a buyout or other  
937 similar agreement in effect at the time the insurance policy was  
938 initially issued;

939 (B) Copies of the independent evidence described in subparagraph  
940 (A) of this subdivision and documents required by subsection (a) of  
941 section 38a-465g, as amended by this act, shall be submitted to the  
942 insurer when the viatical settlement provider submits a request to the  
943 insurer for verification of coverage. The copies shall be accompanied  
944 by a letter from the viatical settlement provider that the copies are true  
945 and correct copies of the documents received by the viatical settlement  
946 provider.

947 (f) If the viatical settlement provider submits to the insurer a copy of  
948 the owner or insured's certification described in subdivision (2) of  
949 subsection (e) of this section when the provider submits a request to



950 the insurer to effect the transfer of the policy or certificate to the  
951 viatical settlement provider, the copy shall be deemed to conclusively  
952 establish that the viatical settlement contract satisfies the requirements  
953 of this section and the insurer shall timely respond to the request.

954 (g) It shall be a violation of this part for any person to:

955 (1) Enter into a viatical settlement if such person knows or  
956 reasonably should have known that the life insurance policy was  
957 obtained by means of a false, deceptive or misleading application for  
958 such policy;

959 (2) Engage in any transaction, practice or course of business if such  
960 person knows or reasonably should have known that the intent was to  
961 avoid the notice requirements of this section;

962 (3) Engage in any fraudulent viatical settlement act involving a  
963 viator who is a resident of this state;

964 (4) Issue, solicit, market or otherwise promote the purchase of an  
965 insurance policy for the sole purpose of or with the emphasis on  
966 entering into a viatical settlement contract;

967 (5) Enter into a viatical settlement contract on a policy that was the  
968 subject of a premium finance agreement, as specified in subparagraph  
969 (A)(iii) of subdivision (19) of section 38a-465, as amended by this act;  
970 and

971 (6) If an insurer, to (A) prohibit, restrict, limit or impair a life  
972 insurance producer from lawfully negotiating a life settlement contract  
973 on behalf of an owner, aiding and assisting an owner with a life  
974 settlement contract, or otherwise participating in a life settlement  
975 transaction under this section, (B) engage in or permit any  
976 discrimination between individuals of the same class, same policy  
977 amount and equal expectation of life in the rates charged for any life  
978 insurance policy or annuity contract based upon an individual's  
979 having entered into a life settlement contract or being insured under a

980 settled policy, (C) make any false or misleading statement as to the  
981 business of life settlements or financing premiums due for a policy or  
982 to any owner or insured for the purpose of inducing or tending to  
983 induce the owner or insured not to enter into a life settlement contract,  
984 or (D) engage in any transaction, act, practice or course of business or  
985 dealing which restricts, limits or impairs in any way the lawful transfer  
986 of ownership, change of beneficiary or assignment of a policy.

987       Sec. 9. Section 38a-465m of the general statutes is repealed and the  
988 following is substituted in lieu thereof (*Effective October 1, 2008*):

989       (a) The commissioner may adopt regulations, in accordance with the  
990 provisions of chapter 54, to implement the provisions of sections  
991 38a-465 to 38a-465l, inclusive, and sections 38a-465n to [38a-465q] 38-  
992 465p, inclusive, as amended by this act.

993       (b) Such regulations may establish standards for evaluating  
994 reasonableness of payments under viatical settlement contracts for  
995 persons who are terminally or chronically ill. Such regulations may  
996 include, but are not limited to, the regulation of discount rates used to  
997 determine the amount paid in exchange for assignment, transfer, sale,  
998 devise or bequest of a benefit under a life insurance policy.

999       (c) Such regulations may establish appropriate licensing  
1000 requirements and standards for continued licensure for viatical  
1001 settlement providers [,] and viatical settlement brokers. [and viatical  
1002 settlement investment agents.]

1003       (d) The commissioner may require a bond or other mechanism for  
1004 financial accountability for viatical settlement providers and brokers.

1005       (e) Such regulations may adopt rules governing the relationship and  
1006 responsibilities of [both] insurers, [and] viatical settlement providers,  
1007 and viatical settlement brokers [and viatical settlement investment  
1008 agents] during the viatication of a life insurance policy or certificate.

1009       Sec. 10. Section 38a-465n of the general statutes is repealed and the

1010 following is substituted in lieu thereof (*Effective October 1, 2008*):

1011 (a) This section shall apply to the advertising of viatical settlement  
1012 contracts [, viatical settlement purchase agreements or] and related  
1013 products or services. Where disclosure requirements are established  
1014 pursuant to federal law, this section shall be interpreted to minimize or  
1015 eliminate conflict with the federal law.

1016 (b) Each person licensed pursuant to this part shall establish and at  
1017 all times maintain a system of control over the content, form and  
1018 method of dissemination of all advertisements of its contracts,  
1019 products and services. Each advertisement, regardless of by whom  
1020 written, created, designed or presented, shall be the responsibility of  
1021 the viatical settlement licensee, as well as the individual who created  
1022 or presented the advertisement. A system of control shall include  
1023 regular routine notification, at least once a year, to agents and others  
1024 authorized by the licensee who disseminate advertisements of the  
1025 requirements and procedures for approval prior to the use of any  
1026 advertisements not furnished by the licensee.

1027 (c) Advertisements shall be truthful and not misleading in fact or by  
1028 implication. The form and content of an advertisement of a viatical  
1029 settlement contract, [or viatical settlement purchase agreement,]  
1030 product or service shall be sufficiently complete and clear so as to  
1031 avoid deception. The advertisement shall not have the capacity or  
1032 tendency to mislead or deceive. Whether an advertisement has the  
1033 capacity or tendency to mislead or deceive shall be determined by the  
1034 commissioner from the overall impression that the advertisement may  
1035 be reasonably expected to create upon a person of average education  
1036 or intelligence within the segment of the public to which it is directed.

1037 (d) Certain viatical settlement advertisements are deemed false and  
1038 misleading on their face and are prohibited. False and misleading  
1039 viatical settlement advertisements include, but are not limited to,  
1040 advertisements that include the following representations:

1041 (1) "Guaranteed", "fully secured", "100 per cent secured", "fully  
1042 insured", "secure", "safe", "backed by rated insurance companies",  
1043 "backed by federal law", "backed by state law", "state guaranty funds"  
1044 or similar representations;

1045 (2) "No risk", "minimal risk", "low risk", "no speculation", "no  
1046 fluctuation" or similar representations;

1047 (3) [Qualified or approved for individual retirement accounts, Roth  
1048 IRAs, 401(k) plans, simplified employee pensions, 403(b) plans, Keogh  
1049 plans, TSA] "Qualified or approved for individual retirement  
1050 accounts", "Roth IRAs", "401(k) plans", "simplified employee pensions",  
1051 "403(b) plans", "Keogh plans", "TSA" or other retirement account  
1052 rollovers, "tax deferred" or similar representations;

1053 (4) Utilization of the word "guaranteed" to describe the fixed return,  
1054 annual return, principal, earnings, profits, investment or similar  
1055 representations;

1056 (5) "No sales charges or fees" or similar representations;

1057 (6) "High yield", "superior return", "excellent return", "high return",  
1058 "quick profit" or similar representations;

1059 (7) Purported favorable representations or testimonials about the  
1060 benefits of viatical settlement contracts or viatical settlement purchase  
1061 agreements as an investment, taken out of context from newspapers,  
1062 trade papers, journals, radio and television programs, and all other  
1063 forms of print or electronic media.

1064 (e) The information required to be disclosed under this section shall  
1065 not be minimized, rendered obscure or presented in an ambiguous  
1066 fashion or intermingled with the text of the advertisement so as to be  
1067 confusing or misleading. An advertisement shall not:

1068 (1) Omit material information or use words, phrases, statements,  
1069 references or illustrations if the omission or use has the capacity,

1070 tendency or effect of misleading or deceiving viators, purchasers or  
1071 prospective purchasers as to the nature or extent of any benefit, loss  
1072 covered, premium payable, or state or federal tax consequence. The  
1073 fact that the viatical settlement contract [or viatical settlement purchase  
1074 agreement] offered is made available for inspection prior to  
1075 consummation of the sale, or an offer is made to refund the payment if  
1076 the viator is not satisfied or that the viatical settlement contract [or  
1077 viatical settlement purchase agreement] includes a "free look" period  
1078 that satisfies or exceeds legal requirements shall not remedy  
1079 misleading statements;

1080 (2) Use the name or title of a life insurance company or a life  
1081 insurance policy unless the advertisement has been approved by the  
1082 insurance company;

1083 (3) Represent that premium payments will not be required to be  
1084 paid on the life insurance policy that is the subject of a viatical  
1085 settlement contract [or viatical settlement purchase agreement] in  
1086 order to maintain that policy unless that is the fact;

1087 (4) State or imply that interest charged on an accelerated death  
1088 benefit or a policy loan is unfair, inequitable or in any manner an  
1089 incorrect or improper practice;

1090 (5) Include the words "free", "no cost", "without cost", "no additional  
1091 cost", "at no extra cost" or words of similar meaning with respect to  
1092 any benefit or service unless true. An advertisement may specify the  
1093 charge for a benefit or a service or may state that a charge is included  
1094 in the payment or use other appropriate language;

1095 (6) Include testimonials, appraisals or analysis that are not genuine.  
1096 Testimonials, appraisals and analysis shall (A) represent the current  
1097 opinion of the author; (B) be applicable to the viatical settlement  
1098 contract, [or viatical settlement purchase agreement,] product or  
1099 service advertised, if any; and (C) be accurately reproduced with  
1100 sufficient completeness to avoid misleading or deceiving prospective

1101 viators or purchasers as to the nature or scope of the testimonials,  
1102 appraisals, analysis or endorsement. In using testimonials, appraisals  
1103 or analysis, the licensee makes as its own all the statements contained  
1104 therein, and the statements shall be subject to the provisions of this  
1105 subdivision.

1106 (i) If the individual making a testimonial, appraisal, analysis or an  
1107 endorsement has a financial interest in the viatical settlement provider  
1108 or related entity as a stockholder, director, officer, employee or  
1109 otherwise, or receives any benefit directly or indirectly other than  
1110 required union scale wages, that fact shall be prominently disclosed in  
1111 the advertisement.

1112 (ii) An advertisement shall not state or imply that a viatical  
1113 settlement contract, [or viatical settlement purchase agreement,]  
1114 benefit or service has been approved or endorsed by a group of  
1115 individuals, society, association or other organization unless that is the  
1116 fact and unless any relationship between an organization and the  
1117 viatical settlement licensee is disclosed. If the entity making the  
1118 endorsement or testimonial is owned, controlled or managed by the  
1119 viatical settlement licensee, or receives any payment or other  
1120 consideration from the viatical settlement licensee for making an  
1121 endorsement or testimonial, that fact shall be disclosed in the  
1122 advertisement.

1123 (iii) When an endorsement refers to benefits received under a  
1124 viatical settlement contract, [or viatical settlement purchase agreement]  
1125 all pertinent information shall be retained for a period of five years  
1126 after its use.

1127 (f) An advertisement shall not contain statistical information unless  
1128 the information accurately reflects recent and relevant facts. The source  
1129 of all statistics used in an advertisement shall be identified.

1130 (g) An advertisement shall not disparage insurers, viatical  
1131 settlement providers, viatical settlement brokers, [viatical settlement

1132 investment agents,] insurance producers, policies, services or methods  
1133 of marketing.

1134 (h) The name of the licensee shall be clearly identified in all  
1135 advertisements about the licensee or its viatical settlement contract, [or  
1136 viatical settlement purchase agreements,] products or services, and if  
1137 any specific viatical settlement contract [or viatical settlement purchase  
1138 agreement] is advertised, the viatical settlement contract [or viatical  
1139 settlement purchase agreement] shall be identified either by form  
1140 number or some other appropriate description. If an application is part  
1141 of the advertisement, the name of the viatical settlement provider shall  
1142 be shown on the application.

1143 (i) An advertisement shall not use a trade name, group designation,  
1144 name of the parent company of a licensee, name of a particular  
1145 division of the licensee, service mark, slogan, symbol or other device or  
1146 reference without disclosing the name of the licensee, if the  
1147 advertisement would have the capacity or tendency to mislead or  
1148 deceive as to the true identity of the licensee, or to create the  
1149 impression that a company other than the licensee would have any  
1150 responsibility for the financial obligation under a viatical settlement  
1151 contract, [or viatical settlement purchase agreement.]

1152 (j) An advertisement shall not use any combination of words,  
1153 symbols or physical materials that by their content, phraseology,  
1154 shape, color or other characteristics are so similar to a combination of  
1155 words, symbols or physical materials used by a government program  
1156 or agency or otherwise appear to be of such a nature that they tend to  
1157 mislead prospective viators or purchasers into believing that the  
1158 solicitation is in some manner connected with a government program  
1159 or agency.

1160 (k) An advertisement may state that a licensee is licensed in the state  
1161 where the advertisement appears, provided it does not exaggerate that  
1162 fact or suggest or imply that competing licensees may not be so  
1163 licensed. The advertisement may ask the audience to consult the

1164 licensee's web site or contact the Insurance Department to find out if  
1165 the state requires licensing and, if so, whether the viatical settlement  
1166 provider [,] or viatical settlement broker [or viatical settlement  
1167 investment agent] is licensed.

1168 (l) An advertisement shall not create the impression that the viatical  
1169 settlement provider, its financial condition or status, the payment of its  
1170 claims or the merits, desirability, or advisability of its viatical  
1171 settlement contracts [or viatical settlement purchase agreement forms]  
1172 are recommended or endorsed by any government entity.

1173 (m) The name of the licensee shall be stated in all of the licensee's  
1174 advertisements. An advertisement shall not use a trade name, any  
1175 group designation, name of any affiliate or controlling entity of the  
1176 licensee, service mark, slogan, symbol or other device in a manner that  
1177 would have the capacity or tendency to mislead or deceive as to the  
1178 true identity of the licensee or create the false impression that an  
1179 affiliate or controlling entity would have any responsibility for the  
1180 financial obligation of the licensee.

1181 (n) An advertisement shall not directly or indirectly create the  
1182 impression that any division or agency of the state or of the United  
1183 States government endorses, approves or favors:

1184 (1) Any licensee or its business practices or methods of operation;

1185 (2) The merits, desirability or advisability of any viatical settlement  
1186 contract; [or viatical settlement purchase agreement;]

1187 (3) Any viatical settlement contract; [or viatical settlement purchase  
1188 agreement;] or

1189 (4) Any life insurance policy or life insurance company.

1190 (o) If the advertisement emphasizes the speed with which the  
1191 viatication will occur, the advertisement shall disclose the average time  
1192 frame from completed application to the date of offer and from



1193 acceptance of the offer to receipt of the funds by the viator.

1194 (p) If the advertisement emphasizes the dollar amounts available to  
1195 viators, the advertisement shall disclose the average purchase price as  
1196 a per cent of face value obtained by viators contracting with the  
1197 licensee during the past six months.

1198 (q) No advertising by any person shall solicit, market or otherwise  
1199 promote the purchase of an insurance policy for the sole purpose of or  
1200 with the primary emphasis on entering into a viatical settlement  
1201 contract.

1202 Sec. 11. Section 38a-465p of the general statutes is repealed and the  
1203 following is substituted in lieu thereof (*Effective October 1, 2008*):

1204 [(a) A viatical settlement investment agent shall not have any  
1205 contact directly or indirectly with the viator or have knowledge of the  
1206 identity of the viator.

1207 (b) A viatical settlement investment agent is deemed to represent  
1208 the viatical settlement provider for whom the viatical settlement  
1209 investment agent is an appointed or contracted agent.]

1210 A related provider trust shall have a written agreement with the  
1211 licensed viatical settlement provider under which the licensed viatical  
1212 settlement provider is responsible for ensuring compliance with all  
1213 statutory and regulatory requirements and under which the trust  
1214 agrees to make all records and files related to viatical settlement  
1215 transactions available to the commissioner as if those records and files  
1216 were maintained directly by the licensed viatical settlement provider.

1217 Sec. 12. Subsection (a) of section 38a-11 of the 2008 supplement to  
1218 the general statutes is repealed and the following is substituted in lieu  
1219 thereof (*Effective October 1, 2008*):

1220 (a) The commissioner shall demand and receive the following fees:  
1221 (1) For the annual fee for each license issued to a domestic insurance

1222 company, one hundred dollars; (2) for receiving and filing annual  
1223 reports of domestic insurance companies, twenty-five dollars; (3) for  
1224 filing all documents prerequisite to the issuance of a license to an  
1225 insurance company, one hundred seventy-five dollars, except that the  
1226 fee for such filings by any health care center, as defined in section 38a-  
1227 175, shall be one thousand one hundred dollars; (4) for filing any  
1228 additional paper required by law, fifteen dollars; (5) for each certificate  
1229 of valuation, organization, reciprocity or compliance, twenty dollars;  
1230 (6) for each certified copy of a license to a company, twenty dollars; (7)  
1231 for each certified copy of a report or certificate of condition of a  
1232 company to be filed in any other state, twenty dollars; (8) for  
1233 amending a certificate of authority, one hundred dollars; (9) for each  
1234 license issued to a rating organization, one hundred dollars. In  
1235 addition, insurance companies shall pay any fees imposed under  
1236 section 12-211; (10) a filing fee of twenty-five dollars for each initial  
1237 application for a license made pursuant to section 38a-769; (11) with  
1238 respect to insurance agents' appointments: (A) A filing fee of twenty-  
1239 five dollars for each request for any agent appointment, except that no  
1240 filing fee shall be payable for a request for agent appointment by an  
1241 insurance company domiciled in a state or foreign country which does  
1242 not require any filing fee for a request for agent appointment for a  
1243 Connecticut insurance company; (B) a fee of forty dollars for each  
1244 appointment issued to an agent of a domestic insurance company or  
1245 for each appointment continued; and (C) a fee of twenty dollars for  
1246 each appointment issued to an agent of any other insurance company  
1247 or for each appointment continued, except that no fee shall be payable  
1248 for an appointment issued to an agent of an insurance company  
1249 domiciled in a state or foreign country which does not require any fee  
1250 for an appointment issued to an agent of a Connecticut insurance  
1251 company; (12) with respect to insurance producers: (A) An  
1252 examination fee of seven dollars for each examination taken, except  
1253 when a testing service is used, the testing service shall pay a fee of  
1254 seven dollars to the commissioner for each examination taken by an  
1255 applicant; (B) a fee of forty dollars for each license issued; (C) a fee of

1256 forty dollars per year, or any portion thereof, for each license renewed;  
1257 and (D) a fee of forty dollars for any license renewed under the  
1258 transitional process established in section 38a-784; (13) with respect to  
1259 public adjusters: (A) An examination fee of seven dollars for each  
1260 examination taken, except when a testing service is used, the testing  
1261 service shall pay a fee of seven dollars to the commissioner for each  
1262 examination taken by an applicant; and (B) a fee of one hundred  
1263 twenty-five dollars for each license issued or renewed; (14) with  
1264 respect to casualty adjusters: (A) An examination fee of ten dollars for  
1265 each examination taken, except when a testing service is used, the  
1266 testing service shall pay a fee of ten dollars to the commissioner for  
1267 each examination taken by an applicant; (B) a fee of forty dollars for  
1268 each license issued or renewed; and (C) the expense of any  
1269 examination administered outside the state shall be the responsibility  
1270 of the entity making the request and such entity shall pay to the  
1271 commissioner one hundred dollars for such examination and the  
1272 actual traveling expenses of the examination administrator to  
1273 administer such examination; (15) with respect to motor vehicle  
1274 physical damage appraisers: (A) An examination fee of forty dollars  
1275 for each examination taken, except when a testing service is used, the  
1276 testing service shall pay a fee of forty dollars to the commissioner for  
1277 each examination taken by an applicant; (B) a fee of forty dollars for  
1278 each license issued or renewed; and (C) the expense of any  
1279 examination administered outside the state shall be the responsibility  
1280 of the entity making the request and such entity shall pay to the  
1281 commissioner one hundred dollars for such examination and the  
1282 actual traveling expenses of the examination administrator to  
1283 administer such examination; (16) with respect to certified insurance  
1284 consultants: (A) An examination fee of thirteen dollars for each  
1285 examination taken, except when a testing service is used, the testing  
1286 service shall pay a fee of thirteen dollars to the commissioner for each  
1287 examination taken by an applicant; (B) a fee of two hundred dollars for  
1288 each license issued; and (C) a fee of one hundred twenty-five dollars  
1289 for each license renewed; (17) with respect to surplus lines brokers: (A)

1290 An examination fee of ten dollars for each examination taken, except  
1291 when a testing service is used, the testing service shall pay a fee of ten  
1292 dollars to the commissioner for each examination taken by an  
1293 applicant; and (B) a fee of five hundred dollars for each license issued  
1294 or renewed; (18) with respect to fraternal agents, a fee of forty dollars  
1295 for each license issued or renewed; (19) a fee of thirteen dollars for  
1296 each license certificate requested, whether or not a license has been  
1297 issued; (20) with respect to domestic and foreign benefit societies shall  
1298 pay: (A) For service of process, twenty-five dollars for each person or  
1299 insurer to be served; (B) for filing a certified copy of its charter or  
1300 articles of association, five dollars; (C) for filing the annual report, ten  
1301 dollars; and (D) for filing any additional paper required by law, three  
1302 dollars; (21) with respect to foreign benefit societies: (A) For each  
1303 certificate of organization or compliance, four dollars; (B) for each  
1304 certified copy of permit, two dollars; and (C) for each copy of a report  
1305 or certificate of condition of a society to be filed in any other state, four  
1306 dollars; (22) with respect to reinsurance intermediaries: A fee of five  
1307 hundred dollars for each license issued or renewed; (23) with respect  
1308 to viatical settlement providers: (A) A filing fee of thirteen dollars for  
1309 each initial application for a license made pursuant to section 38a-465a,  
1310 as amended by this act; and (B) a fee of twenty dollars for each license  
1311 issued or renewed; (24) with respect to viatical settlement brokers: (A)  
1312 A filing fee of thirteen dollars for each initial application for a license  
1313 made pursuant to section 38a-465a; and (B) a fee of twenty dollars for  
1314 each license issued or renewed; (25) [with respect to viatical settlement  
1315 investment agents: (A) A filing fee of thirteen dollars for each initial  
1316 application for a license made pursuant to section 38a-465a, as  
1317 amended by this act; and (B) a fee of twenty dollars for each license  
1318 issued or renewed; (26)] with respect to preferred provider networks, a  
1319 fee of two thousand five hundred dollars for each license issued or  
1320 renewed; [(27)] (26) with respect to rental companies, as defined in  
1321 section 38a-799, a fee of forty dollars for each permit issued or  
1322 renewed; [(28)] (27) with respect to medical discount plan  
1323 organizations licensed under section 38a-479rr, a fee of five hundred

1324 dollars for each license issued or renewed; [(29)] (28) with respect to  
1325 pharmacy benefits managers, an application fee of fifty dollars for each  
1326 registration issued or renewed; and [(30)] (29) with respect to each  
1327 duplicate license issued a fee of twenty-five dollars for each license  
1328 issued.

1329 Sec. 13. Subsection (a) of section 38a-25 of the general statutes is  
1330 repealed and the following is substituted in lieu thereof (*Effective*  
1331 *October 1, 2008*):

1332 (a) The Insurance Commissioner is the agent for receipt of service of  
1333 legal process on the following:

1334 (1) Foreign and alien insurance companies authorized to do  
1335 business in this state in any proceeding arising from or related to any  
1336 transaction having a connection with this state.

1337 (2) Fraternal benefit societies authorized to do business in this state.

1338 (3) Insurance-support organizations as defined in section 38a-976,  
1339 transacting business outside this state which affects a resident of this  
1340 state.

1341 (4) Risk retention groups, as defined in section 38a-250.

1342 (5) Purchasing groups designating the Insurance Commissioner as  
1343 agent for receipt of service of process pursuant to section 38a-261.

1344 (6) Eligible surplus lines insurers authorized by the commissioner to  
1345 accept surplus lines insurance.

1346 (7) Except as provided by section 38a-273, unauthorized insurers or  
1347 other persons assisting unauthorized insurers who directly or  
1348 indirectly do any of the acts of insurance business as set forth in  
1349 subsection (a) of section 38a-271.

1350 (8) The Connecticut Insurance Guaranty Association and the  
1351 Connecticut Life and Health Insurance Guaranty Association.

1352 (9) Insurance companies designating the Insurance Commissioner  
1353 as agent for receipt of service of process pursuant to subsection (g) of  
1354 section 38a-85.

1355 (10) Nonresident insurance producers and nonresident surplus lines  
1356 brokers licensed by the Insurance Commissioner.

1357 (11) Viatical settlement providers [,] and viatical settlement brokers  
1358 [, and viatical settlement investment agents] licensed by the  
1359 commissioner.

1360 (12) Nonresident reinsurance intermediaries designating the  
1361 commissioner as agent for receipt of service of process pursuant to  
1362 section 38a-760b.

1363 (13) Workers' compensation self-insurance groups, as defined in  
1364 section 38a-1001.

1365 (14) Persons alleged to have violated any provision of section 38a-  
1366 130.

1367 (15) Captive insurers, as defined in section 38a-91k.

1368 Sec. 14. (*Effective October 1, 2008*) Section 38a-465q of the general  
1369 statutes is repealed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	38a-465
Sec. 2	<i>October 1, 2008</i>	38a-465a
Sec. 3	<i>October 1, 2008</i>	38a-465b
Sec. 4	<i>October 1, 2008</i>	38a-465c
Sec. 5	<i>October 1, 2008</i>	38a-465d
Sec. 6	<i>October 1, 2008</i>	38a-465f
Sec. 7	<i>October 1, 2008</i>	38a-465g
Sec. 8	<i>October 1, 2008</i>	38a-465i
Sec. 9	<i>October 1, 2008</i>	38a-465m
Sec. 10	<i>October 1, 2008</i>	38a-465n

Sec. 11	<i>October 1, 2008</i>	38a-465p
Sec. 12	<i>October 1, 2008</i>	38a-11(a)
Sec. 13	<i>October 1, 2008</i>	38a-25(a)
Sec. 14	<i>October 1, 2008</i>	Repealer section

***Statement of Purpose:***

To make conforming changes to the viatical settlement statutes.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*